UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/066,300	01/31/2002	Lorinda R. Opsahl-Ong	G04.017	2021

28062   7590   08/03/2007
BUCKLEY, MASCHOFF & TALWALKAR LLC
50 LOCUST AVENUE
NEW CANAAN, CT 06840

EXAMINER
BARTLEY, KENNETH

ART UNIT	PAPER NUMBER
3693	

MAIL DATE	DELIVERY MODE
08/03/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

	Application No.	Applicant(s)
Office Action Summary	10/066,300	OPSAHL-ONG ET AL.
	Examiner	Art Unit	
	Kenneth L. Bartley	3693	

-- *The MAILING DATE of this communication appears on the cover sheet with the correspondence address* --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *29 May 2007*.

2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-5,7-14 and 16-19* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-5, 7-14, and 16-19* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All   b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application

6)☐ Other: _____.

DETAILED ACTION

1.   Receipt of Applicant's amendment and remarks filed on May 29, 2007 is

acknowledged.

Response to Amendment

2.   Claims 1, 16, and 19 are currently amended. Claims 6, 15, and 20 have been

cancelled. Claims 1-5, 7-14, and 16-19 are pending in the application and are provided

to be examined upon their merits.

Response to Arguments

3.   Applicant's arguments filed May 29, 2007 have been fully considered but they are

not persuasive.

4.   The Applicant has amended claim 1 to include "...the return target is at least one

of: (i) a return on investment value, (ii) a net income value, (iii) an internal rate of return

value, and (iv) a loan spread value." Also claims 16 and 19 are, in relevant part, worded

similar to claim 1.

5.   The Applicant argues on page 8, 1st paragraph, regarding claims 1, 16, and 19,

that U.S. Patent 6,823,319 to Lynch does not appear to disclose:

"...automatically generating a return target for the potential real estate deal

based on the collateral type and the supplemental deal information, the return

target being at least one of: (i) a return on investment value, (ii) a net income

value, (iii) an internal rate of return value, and (iv) a loan spread value."

The Examiner concurs that Lynch does not disclose this amendment to the

claims.

6.   The Applicant also argues on page 8, 1st paragraph, that "...Lynch is directed to

a system and method of processing a deal that includes prompting a customer for a

deal parameter and for information associated with the customer, applying origination

rules to the information, applying a strategy to the results of the application of the rules,

and generating at least one deal based on the application of the strategy. (Lynch, col. 1,

ln. 59 - col. 2, ln. 7). That is, Lynch provides at least one proposed deal based on

information provided by the customer/user." Also, "...it is clear that Lynch generates a

deal based on information provided by the customer and an offeror's available products.

The generated deals satisfy preferences of the customer within the context of available

products."

With all due respect to the Applicant, in response to applicant's argument that the

references fail to show certain features of applicant's invention, it is noted that

the features upon which applicant relies (i.e., that deal information cannot be

provided a customer) are not recited in the rejected claim(s). Although the claims

are interpreted in light of the specification, limitations from the specification are

not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057

(Fed. Cir. 1993).

The Examiner notes that claim 1, for example, receives deal information and automatically generates a return target based on such information, but where the information is received from is not provided in the claim. Also, in Applicant's specification,

> "To alleviate problems inherent in the prior art, the present invention introduces systems and methods to automatically generate a return target for a potential real estate deal based on supplemental deal information." ¶ [0006]

> "The <u>deal originator 310 also provides supplemental deal information to the deal controller 400 at (E)</u>. The supplemental deal information may include, for example, one or more of the following basic deal parameters: a deal name, a current LIBOR, a deal size..." ¶ [0044]

> "The processor 410 may also receive supplemental deal information associated with the potential real estate deal and automatically generate a return target based on the collateral type and the supplemental deal information." ¶ [0057]

Therefore, the <u>processor 410 automatically generates a return target</u> based on collateral type and supplemental information and that the source of the information can be a deal originator.

The Examiner, therefore, believes that the term "automatically generating a return target..." can be based on information provided by a deal originator and/or expert information, as shown in Fig. 3 of Applicants specification.

7.   The Applicant continues on page 9, 2nd paragraph that... "There is no disclosure

or suggestion by Lynch that the method/system therein automatically generate a return

target for the potential real estate deal based on the collateral type and the

supplemental deal information, the return target being at least one of: (i) a return on

investment value, (ii) a net income value, (iii) an internal rate of return value, and (iv) a

loan spread value. Lynch instead generates deals that satisfy a customer's preferences

and available product criteria, not the claimed automatically generated return target."

The Examiner notes that Lynch provides:

> **"Automated deal processing for customers includes prompting a customer**
>
> **for at least one deal parameter, such as loan amount, prompting the**
>
> **customer for information relating to the customer, such as <u>collateral</u>**
>
> **<u>offered</u> by the customer, accessing in real-time information relating to the**
>
> **credit history of the customer, applying a plurality of origination rules,**
>
> **such as exclusionary rules, pricing rules, risk rules, and edit preference**
>
> **rules..." (col. 1, lines 59-67 and col. 2, lines 1-7).**

Lynch therefore provides both collateral and supplemental information, however,

the Examiner agrees that Lynch does not disclose return targets.

8.   The Applicant argues on page 9, 3rd paragraph, that the Office Action is silent

regarding which, if any, portion of Lynch correlates to the claimed "automatically

generating a return target for the potential real estate deal based on the collateral type

and the supplemental deal information, the return target being at least one of: (i) a

return on investment value, (ii) a net income value, (iii) an internal rate of return value,

and (iv) a loan spread value".

With all due respect, the Examiner did not anticipate applicant's amendment in

the Office Action.

9.   The Applicant summarizes that the original Office Action fails to specifically

describe which portion of Lynch correlates to various aspects of the claims.

While the Examiner believes the prior Office Action does link Lynch to the claims,

the Examiner provides more detail as a courtesy to the Applicant.

10.   **The Applicant's arguments with respect to the rejections of their original**

claims 1-33 have been fully considered. However, new grounds of rejection are

made on the amended claims in view of additional prior art.

Claim Rejections - 35 USC § 103

11.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

12.   The factual inquiries set forth in *Graham* v. *John Deere Co.*, 383 U.S. 1, 148

USPQ 459 (1966), that are applied for establishing a background for determining

obviousness under 35 U.S.C. 103(a) are summarized as follows:

1.   Determining the scope and contents of the prior art.
2.   Ascertaining the differences between the prior art and the claims at issue.
3.   Resolving the level of ordinary skill in the pertinent art.

       4.   Considering objective evidence present in the application indicating obviousness or nonobviousness.

13.   Claims 1-5, 7-14, and 16-19 are rejected under 35 U.S.C. 103(a) as being

unpatentable over U.S. Patent No. 6,823,319 to Lynch et al., in view of U.S. Pub. No.

2002/0082903 A1 to Yasuzawa and in further view of Official Notice.

<u>Regarding claim 1:</u>
(Currently Amended) A method of generating return targets for potential real estate deals, comprising:
          <u>Lynch et al. discloses:</u>
          A deal processing system that can be used for real estate deals...
          "The automated process of deal structuring benefits the potential borrower by providing the ability to easily explore different deal scenarios, as well as greatly reducing the amount of time required to obtain approval of a mortgage loan." (col. 2. lines 25-29);

determining a collateral type associated with a potential real estate deal;
          Where the deal processing includes...
          "...prompting the customer for information relating to the customer, such as collateral offered by the customer..." (col. 1, lines 61-63);

receiving supplemental deal information associated with the potential real estate deal;
          With the ability to receive supplemental deal information associated with the real estate deal...
          "...accessing in real-time information relating to the credit history of the customer..." (col. 1, lines 63-64), where supplemental deal information has been defined in Applicant's specification as not collateral or loan-to-value information.

and automatically generating a return target for the potential real estate deal based on the collateral type and the supplemental deal information, <u>the return target being at least one of: (i) a return on investment value, (ii) a net income value, (iii) an internal rate of return value, and (iv) a loan spread value.</u>
          Provides the ability to evaluate deals using "exclusionary rules"...
          "The MSS 108, resident on the DSS 100, preferably includes rules 210, and modules 220. One example of MSS rules 210 is own products exclusionary rules and third party, such as independent investors, exclusionary rules, for application to the information entered by a customer in a deal structuring." (col. 5, lines 1-7) The DSS is the "Deal Structure System" and the MSS is the "Mortgage System Software." Also, "The application of the exclusionary rules may be accomplished by numerous

other methods, which methods will be apparent to those skilled in the art."
(col. 9, lines 19-21)

While Lynch et al., in the business of real estate systems, considers
returns from rental income, they do not disclose return targets, such as
internal rate of return.
Yasuzawa, in the field of real estate systems and return analysis, discloses:

> "For the purpose, the benchmark is required when investors makes
> investment judgment. Benchmark in real estate investment is Real
> Estate Index that shows a return of the investment including income
> and capital gain." ¶ [0041]

> "Because, on the occasion of actual dealings, the investor analyzes
> return and make investment by the price based on the return." ¶
> [0049]

> "It is desirable that the aforesaid matrix evaluation (assessment)
> includes the DCF method, and that the aforesaid yield is presented
> together with the deduction rate used by the DCF method, the
> terminal rate, and one or more yields selected from a set consisting
> of yields calculated from profitable prices obtained by the DCF
> method (called IRR or internal rate of return)." ¶ [0103]

Therefore, it would have been obvious to one of ordinary skill in the art at
the time of invention to provide a return target based on an internal rate of
return, motivated by Yasuzawa, and that the analysis would aid the investor
in making educated investment decisions based on capital expenditures,
such as for rental property.

Also, while the references as combined above disclose an internal rate of
return, they do not provide details regarding other tools for financial
analysis of capital expenditures. However, the Examiner takes Official
Notice that using various financial tools to analyze returns on investments,
such as return on investment (ROI), net income, and loan spread analysis
is old and well known. Therefore, it would have been obvious to one
skilled in the art at the time of invention to determine investment returns
using financial analysis techniques, and that such techniques would be
useful to determine desired investment returns.

Regarding claim 2:
(Original) The method of claim 1, wherein the potential real estate deal comprises one
of: (i) a debt deal, and (ii) an equity deal.
   Lynch et al. discloses:

The deal can involve a mortgage, which is a debt deal (col. 2, lines 25-26).

Regarding claim 3:
(Original) The method of claim 1, wherein the potential real estate deal comprise a debt deal, said determining further comprises determining loan-to-value information associated with the potential real estate deal, and said generating is further based on the loan-to-value information.

> **Lynch et al. discloses:**
> **"Forming the record also generates standardized parameters for the deal structuring, such as maximum allowable loan-to-value (LTV) and debt-to-income (DTI) ratios. The combined preferred parameters, potential collateral data, customer suitability information, credit history, and collateral appraisal information can then be joined to form an deal structuring record." (col. 8, lines 54-60)**

Regarding claim 4:
(Original) The method of claim 1, wherein the potential real estate deal is associated with at least one of: (i) a commercial real estate property, (ii) a commercial real estate portfolio, (iii) a loan, (iv) a mortgage, (v) a commercial mortgage backed security, (vi) a leveraged equity deal, (vii) a full equity purchase, and (viii) an adjustment to an existing real estate deal.

> **Lynch et al. discloses:**
> **A potential deal can be associated with a mortgage, where..."The automated process of deal structuring benefits the potential borrower by providing the ability to easily explore different deal scenarios, as well as greatly reducing the amount of time required to obtain approval of a mortgage loan." (col. 2, lines 25-29).**

Regarding claim 5:
(Original) The method of claim 1, wherein the supplemental deal information comprises at least one of: (i) a risk characteristic, (ii) deal size information, (iii) deal term information, (iv) a number of properties, (v) collateral quality information, (vi) a risk rating, (vii) lockbox information, (viii) sweep trigger information, (ix) rate cap information, (x) customer information, (xi) earn-out information, (xii) subordinated debt information, (xiii) interest reserve information, (xiv) renovation information, (xv) ground lease information, (xvi) portfolio cross-collateralization information, (xvii) credit tenant information, (xviii) annual rollover information, (xix)leverage information, (xx) development deal information, and (xi) partnership structure information.

> **Lynch et al. discloses:**
> **"...applying a plurality of origination rules, such as exclusionary rules, pricing rules, risk rules, and edit preference rules, to the at least one deal parameter and the information relating to the customer..." (col. 1, lines 64-67)**

Regarding claim 7:
(Original) The method of claim 1, wherein said generating is performed via a rule-based system.

> **Lynch et al. discloses:**
> **A rule based system (Fig. 2, ref. 210).**

Regarding claim 8:
(Original) The method of claim 7, further comprising:
creating the rule-based system in accordance with a statistical analysis of prior real estate deal information.

> **Lynch et al. discloses:**
> **"...a knowledge base is a collection of rules that represent the human expertise of a particular knowledge domain. Rules are typically constructed in an IF-THEN-ELSE format, e.g., IF Property Type=High Rise AND State=NY THEN Proceed ELSE Flag For Review. The knowledge base is typically stored in a storage medium of a computer." (col. 3, lines 10-16)**
>
> **"An expert system operates by running a knowledge base through an inference engine and applying all of the rules to the input data for a given problem." (col. 3, lines 18-21)**
>
> **Therefore, it would be inherent for a "collection of rules that represent the human expertise of a particular knowledge domain" to include prior real estate deal information, and that such information could include credit risk history of individuals (col. 1, lines 63-64).**

Regarding claim 9:
(Original) The method of claim 8, wherein said creating comprises:
creating the rule-based system in accordance with at least one of: (i) risk characteristics and approved return values for a plurality of prior real estate deals, and (ii) expert information.

> **Lynch et al. discloses:**
> **"In addition, the illustrated DSS system 100 may include at least one third party interface, for third parties such as credit bureaus and third party loan offerors." (col. 4, lines 57-58)**

Regarding claim 10:
(Original) The method of claim 7, further comprising:
validating the rule-based system with additional prior real estate deal information.

> **Lynch et al. discloses:**
> **"One example of MSS rules 210 is own products exclusionary rules and third party, such as independent investors, exclusionary rules, for application to the information entered by a customer in a deal structuring." (col. 5, lines 3-7). Therefore, third parties can bring their own rules which**

would inherently include prior real estate deal information that could
validate their analysis.

Regarding claim 11:
(Original) The method of claim 1, wherein said generating comprises:
determining a base return target for the potential real estate deal;
> **Lynch et al. discloses:**
> **"Following the flagging, repair rules are applied to modify the customer's
> specified preferences in an attempt to conform to the request to at least the
> LTV, DTI and amount tolerances within the limits allowed by the offeror."
> (col. 12, lines 5-9)**

increasing the base return target in accordance with at least one risk adder; and
decreasing the base return target in accordance with at least one risk mitigant to
generate the return target for the potential real estate deal.
> **"For example, if a customer's preferred request is for an amount more than
> an option's maximum product amount or less than an option's minimum
> product amount, that option may be disqualified, compensated, or repaired,
> as discussed hereinbelow." (col. 9, lines 63-67)**
>
> **"Further, a customer may receive one or more options that are both
> repaired and compensated. The factors used in both the repair and/or the
> compensation rules may be the same or similar factors, and the rating of
> risk process may be the same or similar in both the repair and
> compensation modes, either alone or in combination." (col. 11, lines 43-48).**

Regarding claim 12:
(Original) The method of claim 1, further comprising:
transmitting an indication of the return target to a deal originator device via a
communication network.
> **Lynch et al. discloses:**
> **A networked communication system (Fig. 1):**
>
> **"The computer 102 also has several interchanges, such as interfaces, for
> communicating with other entities. These interfaces include an internet
> interface 112 for communicating with customers 114 accessing the DSS
> 100." (col. 4, lines 40-43)**

Regarding claim 13:
(Original) The method of claim 12, wherein the deal originator device
comprises at least one of: (i) a personal computer, (ii) a portable computing device, and
(iii) a telephone device.
> **Lynch et al. discloses:**

> **"The network computers 118 can be located in a facility operated in conjunction with DSS 100, such that loan customers can access the system without having Internet access. The system also has a telephone interface 120, such that customers can dial into the system to access DSS 100."** (col. 4, lines 45-53)

Regarding claim 14:
(Original) The method of claim 12, wherein the communication network comprises at least one of: (i) the Internet, (ii) an intranet, (iii) a public network, (iv) a public switched telephone network, (v) a proprietary network, (vi) a wireless network, and (vii) a local area network.

> **Lynch et al. discloses:**
> **Use of an internet (col. 4, lines 40-43).**

Regarding claim 16:
(Currently Amended) A deal controller, comprising:
a processor; and

> **Lynch et al. discloses:**
> **A "Deal Structuring System" (Fig. 1, ref. 100) with a processor (Fig. 1, ref. 104);**

a storage device in communication with said processor and storing instructions adapted to be executed by said processor to:

> **a database (Fig. 1, ref. 110) in communication with a processor, that has memory to store the "Mortgage System Software" (col. 4, lines 27-32);**

determine a collateral type associated with a potential real estate deal,

> **"The combined preferred parameters, potential collateral data, customer suitability information, credit history, and collateral appraisal information can then be joined to form an deal structuring record. Once the deal structuring record has been completed, exclusionary rules can be iteratively applied 332 to the deal structuring record to determine whether the offering of a product to the customer should be excluded based on the contents of the record."** (col. 8, lines 57-65)

receive supplemental deal information associated with the potential real estate deal,

> **"The exclusionary rules are discussed hereinabove, and can include exclusions based on... the credit history of the borrower, for example" (col. 8, lines 65-67 and col. 9, line 1), where supplemental deal information has been defined in Applicant's specification as not collateral or loan-to-value information.**

and automatically generate a return target for the potential real estate deal based on the collateral type and the supplemental deal information, <u>the return target being at least one of: (i) a return on investment value, (ii) a net income value, (iii) an internal rate of return value, and (iv) a loan spread value.</u>

> And provides the ability to evaluate deals using "exclusionary rules"...
> "The MSS 108, resident on the DSS 100, preferably includes rules 210, and modules 220. One example of MSS rules 210 is own products exclusionary rules and third party, such as independent investors, exclusionary rules, for application to the information entered by a customer in a deal structuring." (col. 5, lines 1-7) The DSS is the "Deal Structure System" and the MSS is the "Mortgage System Software." Also, "The application of the exclusionary rules may be accomplished by numerous other methods, which methods will be apparent to those skilled in the art." (col. 9, lines 19-21)
>
> While Lynch et al. discloses a real estate system and considers returns from rental income, for example, they do not disclose a return targets, such as internal rate of return.
> Yasuzawa, in the field of real estate systems and return analysis, discloses:

>> "For the purpose, the benchmark is required when investors makes investment judgment. Benchmark in real estate investment is Real Estate Index that shows a return of the investment including income and capital gain." ¶ [0041]

>> "Because, on the occasion of actual dealings, the investor analyzes return and make investment by the price based on the return." ¶ [0049]

>> "It is desirable that the aforesaid matrix evaluation (assessment) includes the DCF method, and that the aforesaid yield is presented together with the deduction rate used by the DCF method, the terminal rate, and one or more yields selected from a set consisting of yields calculated from profitable prices obtained by the DCF method (called IRR or internal rate of return)." ¶ [0103]

> Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to provide a return target based on internal rate of return, motivated by Yasuzawa, and that analysis would apply financial principals for making investment decisions based n capital expenditures, such as for rental property.
>
> Also, while the references as combined above disclose an internal rate of return, they do not provide details regarding other tools for financial

analysis of capital expenditures. However, the Examiner takes Official
Notice that using various financial tools to analyze returns on investments,
such as return on investment (ROI), net income, and loan spread analysis
is old and well known. Therefore, it would have been obvious to one
skilled in the art at the time of invention to determine investment returns
using financial analysis techniques, and that such techniques would be
useful to determine desired investment returns.

Regarding claim 17:
(Original) The deal controller of claim 16, wherein said storage device
further stores at least one of: (i) a prior deal database, and (ii) a potential deal database.
    Lynch et al. discloses:
    A deal processing system that can be used for real estate deals...
    **"The automated process of deal structuring benefits the potential borrower
    by providing the ability to easily explore different deal scenarios, as well as
    greatly reducing the amount of time required to obtain approval of a
    mortgage loan." (col. 2. lines 25-29).**

    **"The memory is also used to store data regarding each deal structuring.
    This information can be stored in a database 110 within the memory 106."
    (col. 4, lines 35-37)**

    **Therefore, the deal processing system is able to perform analysis on
    "potential deals," where the deal structuring information can be stored on a
    database.**

Regarding claim 18:
(Original) The deal controller of claim 16, wherein said processor is
further coupled to a communication device adapted to communicate with at least one of:
(i) a deal originator device, and (ii) another deal controller.
    Lynch et al. discloses:
    **"The computer 102 also has several interchanges, such as interfaces, for
    communicating with other entities. These interfaces include an internet
    interface 112 for communicating with customers 114 accessing the DSS
    100. "(col. 4, lines 40-43). Therefore, the processor is coupled to a
    communication device to communicate with a deal originator device (Fig. 1,
    ref. 104 and 114).**

Regarding claim 19
(Currently Amended) A medium storing instructions adapted to be executed by a
processor to perform a method of generating return targets for potential real estate
deals, said method comprising:
    Lynch et al. discloses:

"Alternatively, MSS 108 may be stored on a removable computer readable
medium, such as a CD-ROM (not shown)." (col. 4, lines 32-34)

determining a collateral type associated with a potential real estate deal;

"The combined preferred parameters, potential collateral data, customer
suitability information, credit history, and collateral appraisal information
can then be joined to form an deal structuring record. Once the deal
structuring record has been completed, exclusionary rules can be
iteratively applied 332 to the deal structuring record to determine whether
the offering of a product to the customer should be excluded based on the
contents of the record." (col. 8, lines 57-65)

receiving supplemental deal information associated with the potential real estate deal;
and

"The exclusionary rules are discussed hereinabove, and can include
exclusions based on... the credit history of the borrower, for example."
(col. 8, lines 65-67 and col. 9, line 1), where supplemental deal information
has been defined in Applicant's specification as not collateral or loan-to-
value information.

automatically generating a return target for the potential real estate deal based on the
collateral type and the supplemental deal information, the return target being at
 least one of: (i) a return on investment value, (ii) a net income value, (iii) an internal rate
of return value, and (iv) a loan spread value.

While Lynch et al. discloses a real estate system and considers returns
from rental income, for example, they do not disclose a return targets, such
as internal rate of return.
Yasuzawa, in the field of real estate systems and return analysis, discloses:

"For the purpose, the benchmark is required when investors makes
investment judgment. Benchmark in real estate investment is Real
Estate Index that shows a return of the investment including income
and capital gain." ¶ [0041]

"Because, on the occasion of actual dealings, the investor analyzes
return and make investment by the price based on the return." ¶
[0049]

"It is desirable that the aforesaid matrix evaluation (assessment)
includes the DCF method, and that the aforesaid yield is presented
together with the deduction rate used by the DCF method, the
terminal rate, and one or more yields selected from a set consisting
of yields calculated from profitable prices obtained by the DCF
method (called IRR or internal rate of return)." ¶ [0103]

> Therefore, it would have been obvious to one of ordinary skill in the art at the time of invention to provide a return target based on internal rate of return, motivated by Yasuzawa, and that analysis would apply financial principals for making investment decisions based on capital expenditures, such as for rental property.

> Also, while the references as combined above disclose an internal rate of return, they do not provide details regarding other tools for financial analysis of capital expenditures. However, the Examiner takes Official Notice that using various financial tools to analyze returns on investments, such as return on investment (ROI), net income, and loan spread analysis is old and well known. Therefore, it would have been obvious to one skilled in the art at the time of invention to determine investment returns using financial analysis techniques, and that such techniques would be useful to determine desired investment returns.
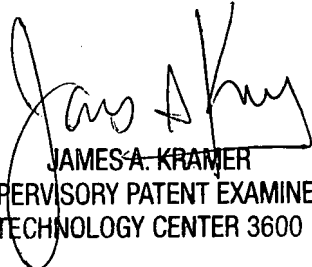
Conclusion

1.   Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Kenneth L. Bartley whose telephone number is (571)

272-5230. The examiner can normally be reached on Monday through Friday, 8:00 -

5:00 EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Jagdish Patel can be reached on (571) 272-6748. The fax phone number

for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

USPTO Customer Service Representative or access to the automated information

system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

8-1-07

JAMES A. KRAMER
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600